

ModernGraham Valuation

Company Name:

AbbVie Inc

Company Ticker ABBV

Date of Analysis

3/31/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$150,180,002,407	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.28	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	193.58%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	20.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	29.82	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.28	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.51
MG Growth Estimate	15.00%
MG Value	\$173.76
MG Value based on 3% Growth	\$65.44
MG Value based on 0% Growth	\$38.36
Market Implied Growth Rate	6.24%

MG Opinion

Current Price	\$94.65
% of Intrinsic Value	54.47%
Opinion	Undervalued
MG Grade	B

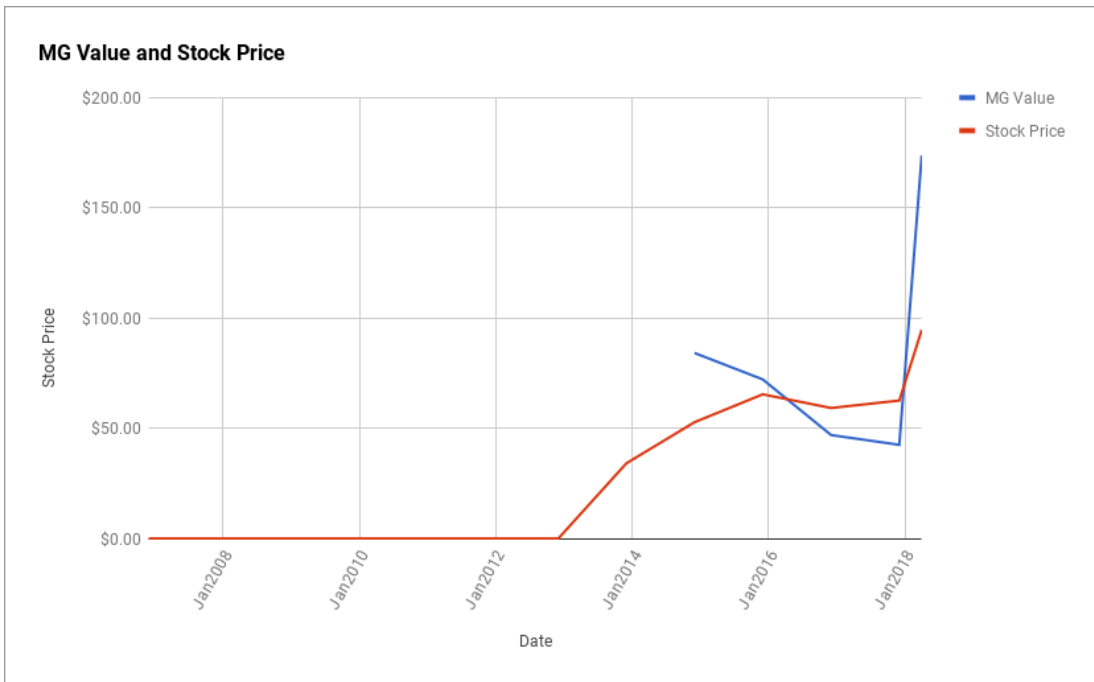
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$27.69
Graham Number	\$22.85
PEmg	20.97
Current Ratio	1.28
PB Ratio	29.82
Current Dividend	\$2.56
Dividend Yield	2.70%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.25	Next Fiscal Year Estimate	\$4.51
Dec2017	\$3.30	Dec2017	\$3.01
Dec2016	\$3.63	Dec2016	\$2.83
Dec2015	\$3.13	Dec2015	\$2.44
Dec2014	\$1.10	Dec2014	\$2.19
Dec2013	\$2.56	Dec2013	\$2.54
Dec2012	\$3.35	Dec2012	\$2.23
Dec2011	\$2.18	Dec2011	\$1.43
Dec2010	\$2.65	Dec2010	\$0.88
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$21,223,000,000
Dec1999	\$0.00	Total Current Liabilities	\$16,641,000,000
Dec1998	\$0.00	Long-Term Debt	\$0
		Total Assets	\$70,786,000,000
		Intangible Assets	\$43,344,000,000
		Total Liabilities	\$65,689,000,000
		Shares Outstanding (Diluted Average)	1,606,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [30 Companies in the Spotlight This Week – 5/23/15](#)
- [Abbvie Inc. Annual Valuation – 2015 \\$ABBV](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Abbvie Inc. Quarterly Valuation – February 2015 \\$ABBV](#)
- [15 Companies in the Spotlight This Week – 2/1/14](#)

Other ModernGraham posts about related companies

- [Eli Lilly and Co. Valuation – March 2018 \\$LLY](#)
- [Zoetis Inc Valuation – March 2018 \\$ZTS](#)
- [Gilead Sciences Inc Valuation – March 2018 \\$GILD](#)
- [Pfizer Inc Valuation – February 2018 \\$PFE](#)
- [Merck & Co Inc Valuation – February 2018 \\$MRK](#)
- [Johnson & Johnson Valuation – February 2018 \\$JNJ](#)
- [Bristol-Myers Squibb Co Valuation – September 2017 \\$BMY](#)
- [Momenta Pharmaceuticals Inc Valuation – Initial Coverage \\$MNTA](#)
- [Depomed Inc Valuation – Initial Coverage \\$DEPO](#)
- [Endo International PLC Valuation – July 2017 \\$ENDP](#)